
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1987

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Finance (originally sponsored by Representatives Schoesler, Grant and G. Chandler)

Read first time 04/05/1999.

1 AN ACT Relating to tax exemptions and credits for structures and
2 equipment used to reduce agricultural burning of cereal grains and
3 field and turf grass grown for seed; adding a new section to chapter
4 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new
5 section to chapter 82.04 RCW; adding a new section to chapter 84.36
6 RCW; creating a new section; providing expiration dates; and declaring
7 an emergency.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
10 provide tax exemptions and credits to encourage alternatives to the
11 field burning of cereal grains and field and turf grass grown for seed.
12 The exemptions and credits are available to farmers and to other
13 persons engaged in activities that make it possible to reduce field
14 burning including persons involved in manufacturing or marketing straw
15 or straw-based products, or to reduce the air emissions resulting from
16 such burning. It is the intent of the legislature that the exemptions
17 and credits provided by this act apply not only to facilities and
18 machinery and equipment for alternatives currently available, but also
19 to those that may become available in the future.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
2 to read as follows:

3 (1) The tax levied by RCW 82.08.020 does not apply to sales of
4 machinery and equipment, and to services rendered in respect to
5 constructing structures, installing, constructing, repairing, cleaning,
6 decorating, altering, or improving of structures or eligible machinery
7 and equipment, or to sales of tangible personal property that becomes
8 an ingredient or component of eligible structures or eligible machinery
9 and equipment, if the machinery, equipment, or structure is used more
10 than half of the time:

11 (a) For gathering, densifying, processing, handling, storing,
12 transporting, or incorporating straw or straw-based products that
13 results in a reduction in field burning of cereal grains and field and
14 turf grass grown for seed; or

15 (b) To decrease air emissions resulting from field burning of
16 cereal grains and field and turf grass grown for seed.

17 (2) A person taking the exemption under this section must keep
18 records necessary for the department to verify eligibility under this
19 section. The exemption is available only when the buyer provides the
20 seller with an exemption certificate in a form and manner prescribed by
21 the department. The seller shall retain a copy of the certificate for
22 the seller's files.

23 (3) The department of ecology and the department of agriculture
24 shall consult with the department with regard to the information
25 necessary for the department to administer this section.

26 (4) This section expires January 1, 2006.

27 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
28 to read as follows:

29 (1) The provisions of this chapter do not apply in respect to the
30 use of machinery and equipment, or tangible personal property that
31 becomes an ingredient or component of eligible machinery and equipment
32 used more than half of the time:

33 (a) For gathering, densifying, processing, handling, storing,
34 transporting, or incorporating straw or straw-based products that will
35 result in a reduction in field burning of cereal grains and field and
36 turf grass grown for seed; or

37 (b) To decrease air emissions resulting from field burning of
38 cereal grains and field and turf grass grown for seed.

1 (2) A person taking the exemption under this section must keep
2 records necessary for the department to verify eligibility under this
3 section.

4 (3) The department of ecology shall provide the department with the
5 information necessary for the department to administer this section.

6 (4) This section expires January 1, 2006.

7 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.04 RCW
8 to read as follows:

9 (1) A person who is eligible for the exemption under section 2 or
10 3 of this act may take a credit against tax imposed by this chapter,
11 subject to the limitations in this section.

12 (2) The credit under this section is equal to fifty percent of the
13 amount of costs expended for constructing structures or acquiring
14 machinery and equipment for which an exemption was taken under section
15 2 or 3 of this act.

16 (3) No application is necessary for the credit under this section.
17 A person taking the credit must keep records necessary for the
18 department to verify eligibility under this section. Tax credit may
19 not be claimed for expenditures that occurred before the effective date
20 of this section.

21 (4) No applicant is eligible for tax credits under this section in
22 excess of the amount of tax that would otherwise be due under this
23 chapter. Approved credit may not be carried over to subsequent
24 calendar years. The credit must be claimed by the due date of the last
25 tax return for the calendar year in which the payment is made. Any
26 unused credit expires. Refunds shall not be given in place of credits.

27 (5) This section expires January 1, 2006.

28 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.36 RCW
29 to read as follows:

30 Personal property eligible for exemption under section 2 or 3 of
31 this act is exempt from taxation.

32 This section applies to taxes levied for collection in 2001 through
33 2006. This section expires January 1, 2007.

34 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 immediately.

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